

# WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

## Budget Change Items

### 1. FINANCING FOR OUT-OF-STATE PROJECTS

**Governor:** Provide that projects eligible for financing by the Wisconsin Health and Educational Facilities Authority (WHEFA) would include any project located within or outside of this state. Modify the definition of "project" so that in issuing bonds, a "project" could include more than one project, as well as any combination of projects undertaken jointly with other institutions as under current law. Specify that the proceeds of a WHEFA bond issue could be used for a project in Wisconsin or any other state, except that if the bond proceeds would be used for a project in another state, that project would have to include a substantial component located in Wisconsin, as determined by the Executive Director of WHEFA.

Provide that a participating educational institution would include an entity authorized by state law to provide or operate an educational facility, or an affiliate of that entity, rather than a corporation, agency or association as under current law. Similarly, provide that a participating health institution would include an entity authorized by state law to provide or operate a health facility, or an affiliate of the entity, rather than a corporation, agency, or association as under current law. Specify that a participating research institution would be an entity organized under the laws of this state, or an affiliate of that entity. Specify that a participating child care provider would include an affiliate of a child care provider. Define entity as meaning any person other than a natural person. Define affiliate as an entity that controls, is controlled by, or is under common control with another entity.

[Bill Sections: 2768 thru 2781]

### 2. EXCLUSION FOR INTEREST ON CERTAIN WHEFA BONDS OR NOTES

**Governor:** Provide an exclusion from income under the individual income tax, the corporate income and franchise tax, and the income tax on insurance companies for interest income received on bonds or notes issued by the Wisconsin Health and Educational Facilities Authority (WHEFA) provided the bonds or notes are issued to a person who is eligible to receive bonds or notes from another issuer for the same purpose as the bonds or notes issued for the person by WHEFA and the interest income from those other bonds or notes would also be exempt. Extend the exclusion to tax years beginning on January 1, 2011. WHEFA provides capital financing assistance to Wisconsin health care institutions, independent colleges and universities, and certain continuing care facilities. There is a current law exclusion for interest on WHEFA-issued bonds or notes that are used by health facilities to acquire information technology hardware or software. The administration estimates that the fiscal effect of this provision would be a minimal loss of state tax revenues.

[Bill Sections: 1755, 1896, 2015, and 9341(3)]